



505 East Huntland Drive
Suite 250
Austin, TX 78752

512.329.6080 PHONE
512.329.8750 FAX

www.TRCsolutions.com

April 27, 2012
TRC Solutions Project No. 192355

Mr. Gary Moore
U.S. EPA Region 6
1445 Ross Avenue, Suite 1200
Dallas, TX 75202-2733

**Re: Weekly Progress Report
Falcon Refinery Superfund Site
Ingleside, San Patricio County, Texas
TXD 086 278 058**

Dear Mr. Moore:

On behalf of Lazarus Texas Refinery I, LLC, (Lazarus), TRC Solutions (TRC) submits this Weekly Progress Report on the Removal Action Activities at the Falcon Refinery Federal Superfund Site to the United States Environmental Protection Agency for your review.

While the Coastal Bend received record amounts of rain on Monday 16, 2012 Lazarus will continue to move forward with the Removal Action at the site with the plan and schedule that is provided below.

If you have any questions, comments, or concerns, please do not hesitate to contact me at (361) 522-1935.

Sincerely,
TRC

Alonzo G. Arredondo
Senior Geologist

Attachment: Weekly Progress Report
cc: Lazarus Texas Refinery I, LLC

WEEKLY PROGRESS REPORT - Falcon Refinery Federal Superfund Site, Ingleside, TX;

1. TASKS NECESSARY TO COMPLETE THE REMOVAL ACTION

- Butane Tank – This tank contains less than one gallon of sludge. It will be cleaned, the sludge will be disposed of appropriately, and the tank will be inspected.
- Tank 12 – The three inches of oil that remain in this tank will be removed when the collapsed roof is removed.
- Tank 7 – The three feet of sludge that remain in this tank will be removed when the collapsed roof is removed.
- Tank 30 – The two feet of water and sludge that remain in this tank will be removed when the collapsed roof is removed.
- Tank 26 – This tank requires the removal of liquids and sludge and will be demolished after cleaning.
- Facility Pipes – The pipes that contain material will be carefully handled to allow for the removal of the contents within them.

2. THE SCHEDULE OF ACTIVITIES TO COMPLETION DATE (September 28, 2012)

- Tank 12 – Cut door, remove internal floating roof, oil and conduct API 653 tank inspection. April 9, 2012
- Tank 30 – Cut door, remove internal floating roof, water, and paraffin. April 11, 2012
- Tank 7 – Cut door, remove internal floating roof, and paraffin. April 11, 2012
- Butane Tank – Completely clean and inspect the vessel. April 23, 2012
- Tank 26 – Install treatment system, construct irrigation field, treat water, reclaim oil, centrifuge sludge and dispose of residual solids at U.S. Ecology. April 9, 2012
- Facility Pipes – The material in the facility piping will be removed as the vessels and connecting pipelines are demolished.

3. PROJECT ACTIVITIES COMPLETED THIS REPORTING PERIOD (APRIL 23 - 27, 2012)

The following activities were conducted this week:

- Continued lay out the piping for the irrigation system.
- Completed the removal of the internal floating roof from Tank 12.
- Completed the cleaning of the internal floating roof from Tank 12.
- Resurfaced the pad in the former Tank 27 area to manage and remove rainwater that had accumulated in the area.
- Continued mowing and clearing vegetation to facilitate access to piping in the NW property and Process Areas 1 and 2 of the refinery.
- Procured surveying services to begin surveying the site and assess/identify the offsite property.
- Began brush removal in the former Tank 10 area of the facility.
- Began accumulating fiberglass insulation, segregating metal and the removal of brush at the former Tank 10 area of the facility.
- Repaired facility roads and firewalls.
- Segregated metal and tires from its offsite properties.
- Completed the evaluation of water samples from Tank 26 and is preparing a treatment program for the water, oil and sludge.
- Teleconferenced with the TCEQ and provided an update on the progress and field modifications of the irrigation system.
- Began procuring services for the cleaning Tank 16.
- Held a meeting to plan the execution of activities for Tank 30.

4. ACTIVITIES PLANNED FOR NEXT WEEK (APRIL 30 – May 4, 2012)

- Continue transferring liquids from Tank 30 into a frac tank.
- Begin removal of sludge in Tank 12 on Monday 30, 2012.
- Continue to conduct general housekeeping at site by having a contractor clear brush and maintain firewalls.

- Continue evaluating the discharge limits for treated wastewater and pursue agreement from U.S. EPA and TCEQ.

5. ACTIVITIES PLANNED FOR WEEK FOLLOWING (May 7 – May 11, 2012)

- Remove water from Tank 26 and transfer via pH adjustment and pretreating into Tank 15 for treatment.
- Begin cutting and cleaning the floating roof on Tank 30.
- Continue to gather all sludge from Tanks 12, 30, 26 and 7 for centrifuging.

6. ISSUES ENCOUNTERED

- Resolved the tight oil/water emulsion issue and has improved the clarity of the water from Tank 26.